

Pidilite Industries

BSE SENSEX	S&P CNX
40,286	11,872
Bloomberg	PIDI IN
Equity Shares (m)	513
M.Cap.(INRb)/(USD\$)	683.4 / 9.5
52-Week Range (INR)	1495 / 1049
1, 6, 12 Rel. Per (%)	-7/9/9
12M Avg Val (INR M)	783
Free float (%)	30.3

Financials & Valuations (INR b)

Y/E Mar	2019	2020E	2021E
Net Sales	70.8	75.8	86.4
EBITDA	13.7	15.7	18.5
PAT	9.4	11.6	13.8
EPS (INR)	18.6	22.9	27.1
Gr. (%)	-2.0	23.4	18.4
BV/Sh (INR)	81.7	97.7	115.6
RoE (%)	24.4	25.5	25.4
RoCE (%)	22.5	23.8	23.9
P/E (x)	72.0	58.4	49.3
EV/EBITDA (x)	48.5	41.8	35.1

Estimate change

TP change

Rating change

CMP: INR1,338 TP: INR1,354 (+1%)
Neutral

Weak demand, liquidity concerns cast a pall on near-term growth

- Consolidated net sales grew 2.8% YoY to INR18.1b (v/s est. INR20.2b). EBITDA stood flat YoY at INR3.7b (v/s est. INR4.6b). PBT grew 5% YoY to INR3.8b (v/s est. INR4.5b). Adj. PAT grew 48.2% YoY to INR3.5b (v/s est. INR3.1b).
- Consolidated C&B segment revenues grew 1.6% YoY to INR15.4b, (1% decline in volumes)** with Segmental EBIT margin expanding 110bp YoY to 25.3%. Industrial segment grew 14.3% to INR2.9b and margins expanded 150bp YoY.
- Gross margins expanded 400bp YoY to 53.4%.** Higher other expenses (+310bp YoY), attributed to higher ad-spends and higher employee costs (+140bp YoY), meant that EBITDA margin contracted by 50bp YoY to 20.4% (v/s est. 22.8%).
- 1HFY20 consol. revenue/EBITDA/PAT grew 6.5%/8.5%/35.1% YoY.
- Subsidiary performance:** 2QFY20 revenue from overseas subsidiaries grew 13.7% YoY to INR1.5b; and margins expanded 300bp to 4.9%. Revenue of domestic subsidiaries declined 17.3% to INR1.4b. EBITDA dropped 31.2% YoY to INR91m; margins were down 100bp YoY.
- Concall highlights:** (1) Challenging demand environment, floods and liquidity crunch affected sales for the quarter; (2) VAM costs - USD890 current cost v/s USD901 consumption cost in 2QFY20; therefore largely flattish sequentially. Have around 45 days inventory in VAM; (3) Ad-spends were 4.8% of sales for the quarter. Normal run-rate on ad-spends is usually 3.8-4.0% of sales.
- Valuation and view:** Due to significant miss on 2QFY20 expectations and uncertainty of recovery, we have reduced our EPS forecasts by 7.7%/2.7% for FY20/FY21. There has been a sharp rally in the stock over the past three years as a result of which stock price CAGR has been in mid-20s despite earnings compounding at only 5.5% CAGR over FY16-19. While PBT forecasts are healthy at ~16.5% CAGR for the next two years (led by subdued material costs), ROCE in the mid-20s level is at a substantial discount to consumer peer average of ~32%. Valuations are expensive at 49.3x FY21 EPS. Maintain **Neutral**.

Consolidated - Quarterly Earning Model

(INR Million)

Y/E March	FY19				FY20				FY19	FY20E	FY20	Var. (%)
	1Q	2Q	3Q	4Q	1Q	2Q	3QE	4QE			2QE	
Net Sales	18,341	17,572	18,483	16,389	20,166	18,066	19,407	18,132	70,785	75,771	20,211	-10.6
YoY change (%)	20.0	14.9	19.8	10.3	10.0	2.8	5.0	10.6	16.5	7.0	15.0	
Gross Profit	9,267	8,680	8,731	8,241	10,361	9,644	9,750	9,476	34,919	39,231	10,329	
Margin (%)	50.5	49.4	47.2	50.3	51.4	53.4	50.2	52.3	49.3	51.8	51.1	
EBITDA	3,817	3,666	3,368	2,788	4,437	3,682	4,118	3,471	13,638	15,708	4,600	-19.9
YoY change (%)	18.9	-2.5	-9.0	1.8	16.3	0.5	22.3	24.5	1.7	15.2	26.1	
Margins (%)	20.8	20.9	18.2	17.0	22.0	20.4	21.2	19.1	19.3	20.7	22.8	
Depreciation	301	316	321	390	377	402	417	436	1,327	1,632	379	
Interest	73	60	62	66	73	83	56	60	261	272	46	
Other Income	321	276	307	562	399	558	399	386	1,466	1,741	309	
PBT	3,764	3,566	3,291	2,895	4,385	3,755	4,044	3,361	13,336	15,545	4,485	-16.3
Tax	1,361	1,230	1,110	431	1,444	293	1,173	1,003	4,132	3,913	1,435	
Rate (%)	36.1	34.5	33.7	14.9	32.9	7.8	29.0	29.8	31.0	25.2	32.0	
Adj PAT	2,404	2,336	2,181	2,464	2,941	3,462	2,871	2,358	9,384	11,632	3,050	13.5
YoY change (%)	6.4	-7.2	-8.0	-0.1	22.4	48.2	31.6	-4.3	-2.4	24.0	31.5	
Margins (%)	13.1	13.3	11.8	15.0	14.6	19.2	14.8	13.0	13.3	15.4	15.1	

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Investors are advised to refer through important disclosures made at the last page of the Research Report.

Motilal Oswal research is available on www.motilalosal.com/Institutional-Equities, Bloomberg, Thomson Reuters, Factset and S&P Capital.

Key quarterly charts

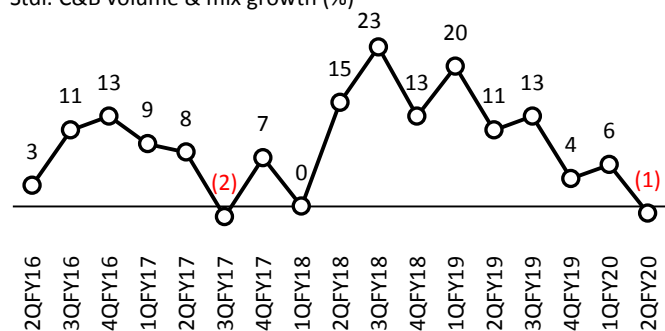
Exhibit 1: Segmental Performance (Consolidated)

Segmental	2QFY17	3QFY17	4QFY17	1QFY18	2QFY18	3QFY18	4QFY18	1QFY19	2QFY19	3QFY19	4QFY19	1QFY20	2QFY20
Consumer and Bazaar													
Sales (INRm)	12,970	12,226	11,579	14,318	13,147	13,086	12,276	15,941	15,114	15,974	13,645	17,364	15,350
Sales growth (%)	9.7	1.1	7.6	-1.6	1.4	7.0	6.0	11.3	15.0	22.1	11.1	8.9	1.6
EBIT (INRm)	3,096	2,943	2,651	3,341	3,838	3,651	2,821	4,030	3,661	3,584	3,010	4,625	3,889
% Contribution	88.4	90.2	87.1	90.2	87.9	89.7	86.1	92.1	90.1	92.5	87.9	91.3	88.6
EBIT growth %	3.7	0.3	5.3	-14.7	24.0	24.1	10.5	20.6	-4.6	-2.7	6.7	14.8	6.2
EBIT margin %	23.9	24.1	22.9	23.3	29.2	27.9	23.0	25.3	24.2	22.4	22.1	26.6	25.3
Industrial Products													
Sales (INR m)	2,413	2,199	2,541	2,485	2,266	2,470	2,727	2,576	2,537	2,618	2,923	2,933	2,899
Sales growth (%)	6.3	-2.8	1.2	0.2	-6.1	12.3	7.3	3.7	11.9	6.0	7.2	13.9	14.3
EBIT (INRm)	458	330	409	367	327	417	469	379	420	309	432	453	525
% contribution	13.1	10.1	13.5	9.9	7.5	10.2	14.3	8.7	10.3	8.0	12.6	8.9	12.0
EBIT growth %	35.1	-10.1	-12.8	-18.8	-28.6	26.2	14.0	3.3	28.6	-26.0	-8.0	19.3	24.9
EBIT margin %	19.0	15.0	16.1	14.8	14.4	16.9	17.2	14.7	16.6	11.8	14.8	15.4	18.1

Source: Company, MOFSL

Exhibit 2: Standalone Consumer & Bazaar (C&B) volumes declined 1% in 2QFY20

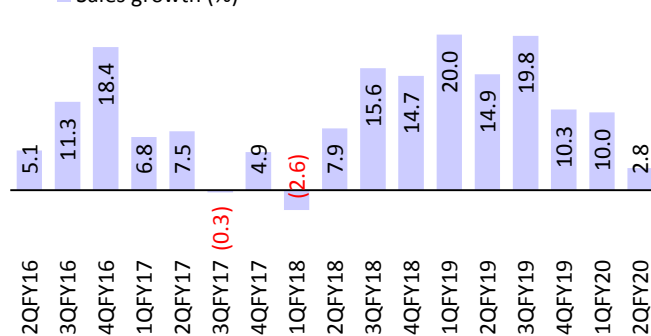
Std. C&B volume & mix growth (%)



Source: Company, MOFSL

Exhibit 3: Consolidated sales grew 2.8% YoY in 2QFY20 to INR18.1b

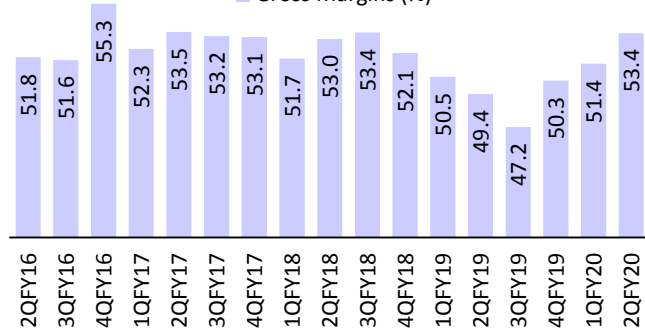
Sales growth (%)



Source: Company, MOFSL

Exhibit 4: Consol. gross margins expanded 400bp YoY to 53.4%

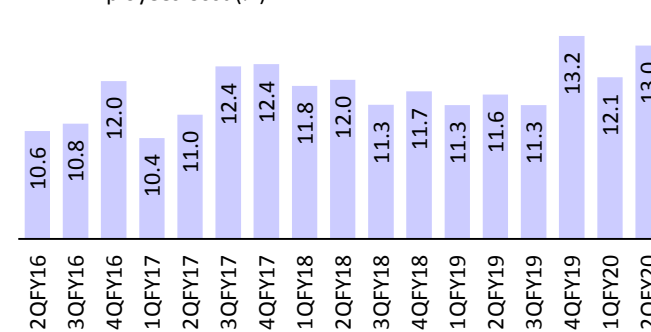
Gross Margins (%)



Source: Company, MOFSL

Exhibit 5: Consol. employee expenses were up 140bp YoY to 13%

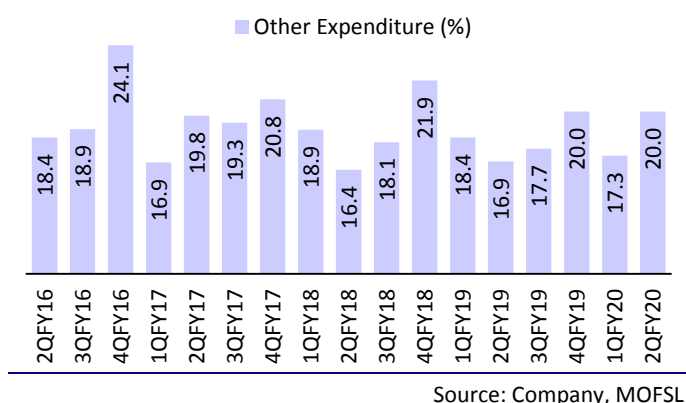
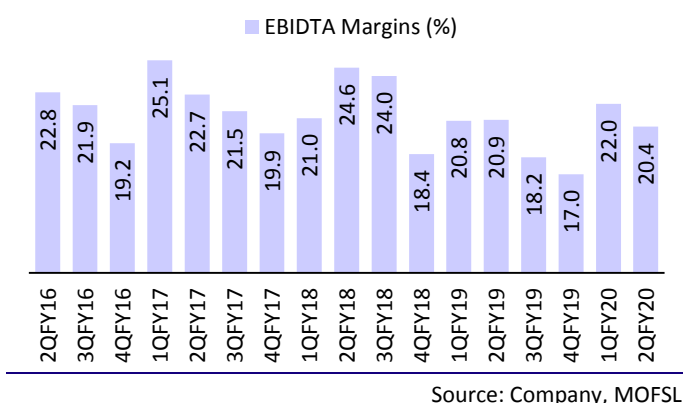
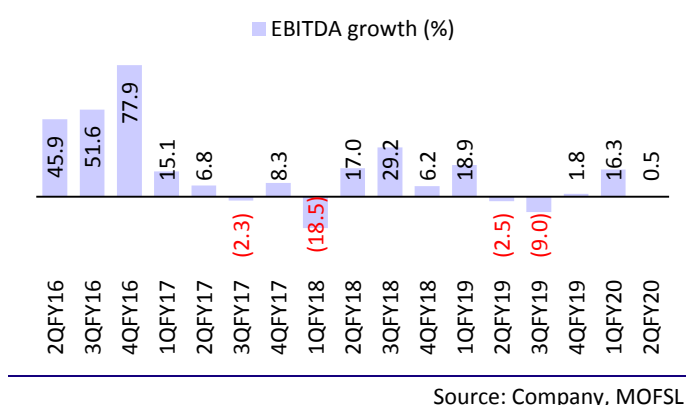
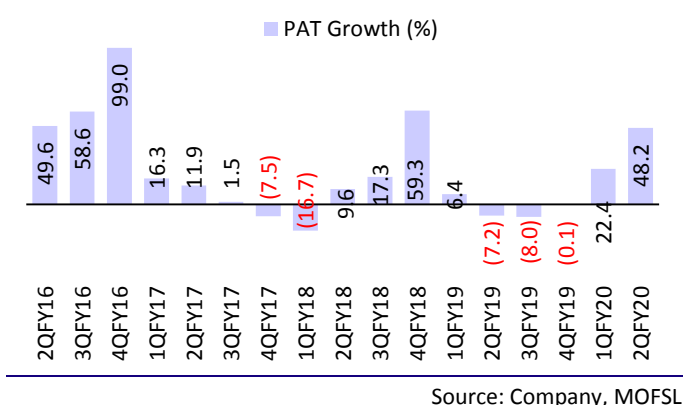
Employees Cost (%)



Source: Company, MOFSL

- Overall gross margins expanded 400bp YoY to 53.4%.
- Higher other expenses as % of sales (+310bp YoY to 20%), attributed by the management to higher ad-spends and higher employee costs as % of sales (+140bp YoY to 13%), means that EBITDA margin contracted by 50bp YoY to 20.4% (v/s est. 22.8%).

- Reported consumer bazaar segment revenue was up 1.6% YoY to INR15.4b with segmental EBIT growth of 6.2% YoY to INR3.9b. Segmental EBIT margins expanded 110bp YoY to 25.3%.
- Reported industrial segment grew 14.3% to INR2.9b with segment margin expansion of 150bp YoY to 18.1%.
- Exceptional item represents impairment loss on fair value of 'assets held for sale' of INR222.4m for the quarter.

Exhibit 6: Other expenses were up 310bp YoY to 20% YoY**Exhibit 7: EBITDA margins contracted 50bp YoY to 20.4%****Exhibit 8: Consol. EBITDA stood flat YoY to INR3.7b****Exhibit 9: Consol. PAT grew 48.2% YoY to INR3.5b**

Standalone performance for 2QFY20

- Overall volume growth of 1% YoY.
- Reported net sales grew 3.6% YoY to INR15.7b.
- Reported Consumer Bazaar segment revenue was up 2.2% YoY to INR13b with **1% YoY decline in sales volume and mix**. Segment EBIT grew 2.8% to INR3.8b. Segmental EBIT margins expanded 20bp YoY to 29.6%.
- Reported Industrial segment grew 14.3% YoY to INR2.9b with **13% YoY growth in sales volume and mix**. Segment margin expanded 150bp YoY to 18.1%.
- Overall gross margins expanded 410bp and EBITDA margins contracted 50bp to 53.7% and 22.3%, respectively. EBITDA grew 1.3% YoY to INR3.5b.
- Adj. PAT grew 41.6% YoY to INR3.5b.
- Exceptional item represents impairment loss on fair value of 'assets held for sale' of INR222.4m for the quarter.
- 1HFY20 revenue/ EBITDA/PAT grew 7.2%/9.2%/23.9% YoY, respectively.

Imputed subsidiary performance

- In 2QFY20, imputed subsidiary revenues declined 1.9% to INR2.3b.

Exhibit 10: Segmental Performance (Standalone)

Segmental	2QFY17	3QFY17	4QFY17	1QFY18	2QFY18	3QFY18	4QFY18	1QFY19	2QFY19	3QFY19	4QFY19	1QFY20	2QFY20
Consumer and Bazaar													
Sales (INRm)	10,958	10,237	9,924	12,489	11,486	11,415	10,159	13,683	12,719	13,388	11,042	14,987	13,001
Sales growth (%)	6.8	-2.0	7.3	-0.3	4.8	11.5	2.4	9.6	10.7	17.3	8.7	9.5	2.2
EBIT (INRm)	3,022	2,927	2,606	3,221	3,934	3,645	2,683	4,219	3,743	3,607	2,931	4,493	3,848
% contribution	88.1	90.1	86.9	89.8	92.5	89.6	85.5	92.4	90.3	92.6	87.6	91.1	88.5
EBIT growth %	6.7	1.5	11.7	-17.6	30.2	24.6	3.0	31.0	-4.9	-1.0	9.2	6.5	2.8
EBIT margin %	27.6	28.6	26.3	25.8	34.2	31.9	26.4	30.8	29.4	26.9	26.5	30.0	29.6
Industrial Products													
Sales (INR m)	2,413	2,181	2,541	2,485	2,266	2,470	2,727	2,576	2,537	2,618	2,923	2,933	2,899
Sales growth (%)	6.3	-3.6	1.2	0.2	-6.1	13.3	7.3	3.7	11.9	6.0	7.2	13.9	14.3
EBIT (INRm)	458	330	412	367	327	418	469	379	420	309	432	453	525
% contribution	13.4	10.2	13.7	10.2	7.7	10.3	15.0	8.3	10.1	7.9	12.9	9.2	12.1
EBIT growth %	35.1	-10.1	-12.3	-18.8	-28.6	26.7	14.0	3.3	28.6	-26.0	-8.0	19.3	24.9
EBIT margin %	19.0	15.1	16.2	14.8	14.4	16.9	17.2	14.7	16.6	11.8	14.8	15.4	18.1

Source: Company, MOFSL

Conference call highlights**Factors affecting 2QFY20**

- Challenging market, floods and liquidity crunch affected sales for the quarter.
- Adhesives market also slowed down, especially on construction and interior work related activities. There was no market share loss.
- There was no marked improvement or deterioration on demand toward the latter part of the quarter. Therefore, slowdown was similar across all three months.
- Some phasing of ad-spend toward 2QFY20 led to impact on margins. Ad-spends was at 4.8% of sales for the quarter due to two large advertising campaigns (60-year advertisement of *Fevicol* and new *FeviQuik* campaign). Normal run-rate on ad-spends is usually 3.8-4.0% of sales. Similarly, in the corresponding quarter last year, ad-spends were unusually low at ~2.4% of sales, exacerbating the YoY margin impact.
- Barring Egypt, the international business did well during the quarter.

Demand Outlook and raw material cost

- Consumer & Bazaar – Unclear on recovery over the next two quarters but expect FY21 demand to be better.
- Company is more circumspect on the recovery of Nina and Percept. It is gradually diversifying dependence away from real estate to industrial and commercial use.
- On C&B, growth rate in small towns is growing in double-digits on value sales, even in the current weak environment. More than distribution reach, focus is on improving frequency of coverage and on efforts to grow the category.
- VAM costs – USD890 current cost v/s USD901 consumption cost in 2QFY20; therefore, largely flattish sequentially. Have ~45 days inventory in VAM.
- Last year, company had taken two price increases of equal magnitude in Sep'18 and Dec'18 quarters.

Other points

- Deferred tax liability reversal of INR280m during the quarter.

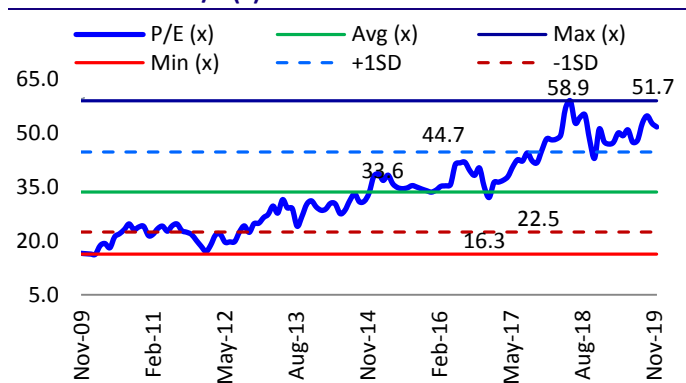
Valuation & view

- Due to significant miss on 2QFY20 expectations and uncertainty of recovery, we have reduced our EPS forecast by 7.7%/2.7% for FY20/FY21, respectively.
- There has been a sharp rally in the stock over the past three years, as a result of which, stock price CAGR has been in mid-20s despite earnings compounding at only 5.5% CAGR over FY16-19. While PBT growth forecasts are healthy at ~16.5% CAGR over the next two years (led by subdued material costs), ROCE in the mid-20s level is at a substantial discount to consumer peer average of ~32%.
- Valuations are expensive at 49.3x FY21 EPS. Maintain Neutral.

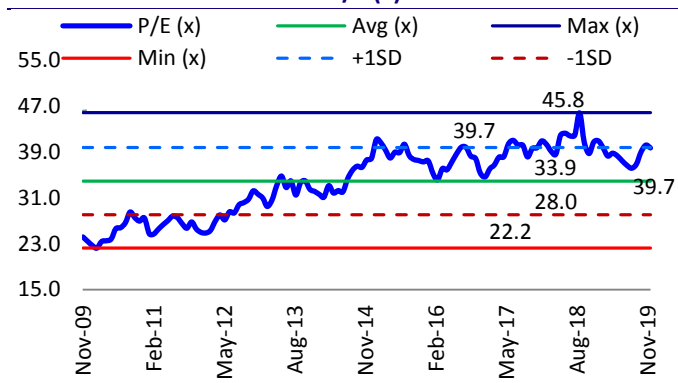
Exhibit 11: We cut our EPS estimate by 7.7%/2.7% for FY20E/FY21E

	New		Old		% Change	
	FY20E	FY21E	FY20E	FY21E	FY20E	FY21E
Net Sales	75,771	86,357	80,057	91,212	(5.4)	(5.3)
EBITDA	15,708	18,479	17,004	18,980	(7.6)	(2.6)
Adjusted PAT	11,632	13,773	12,607	14,159	(7.7)	(2.7)

Source: Company, MOFSL

Exhibit 12: PIDI P/E (x)

Source: Company, MOFSL

Exhibit 13: Consumer sector P/E (x)

Source: Company, MOFSL

Financials and Valuations

Income Statement						(INR Million)	
Y/E March	FY15	FY16	FY17	FY18	FY19	FY20E	FY21E
Net Sales	48,783	53,612	56,168	60,784	70,787	75,771	86,357
Change (%)	13.0	9.9	4.8	8.2	16.5	7.0	14.0
Raw Materials	26,686	25,847	26,396	28,877	35,866	36,540	42,127
Gross Profit	22,097	27,765	29,772	31,908	34,922	39,231	44,230
Margin (%)	45.3	51.8	53.0	52.5	49.3	51.8	51.2
Operating Expenses	14,048	16,030	17,174	18,495	21,240	23,522	25,752
EBITDA	8,049	11,735	12,598	13,412	13,682	15,708	18,479
Change (%)	14.2	45.8	7.4	6.5	2.0	14.8	17.6
Margin (%)	16.5	21.9	22.4	22.1	19.3	20.7	21.4
Depreciation	1,178	1,005	1,151	1,199	1,327	1,632	1,871
Int. and Fin. Charges	156	133	139	155	261	272	178
Other Income	113	778	1,123	1,484	1,466	1,741	1,976
Profit before Taxes	6,828	11,376	12,430	13,542	13,560	15,545	18,406
Change (%)	10.3	66.6	9.3	8.9	0.1	14.6	18.4
Margin (%)	14.0	21.2	22.1	22.3	19.2	20.5	21.3
Tax	1,694	3,335	3,851	3,927	4,132	3,913	4,633
Tax Rate (%)	24.8	29.3	31.0	29.0	30.5	25.2	25.2
Adj PAT	5,134	8,040	8,579	9,615	9,428	11,632	13,773
Change (%)	13.2	56.6	6.7	12.1	-1.9	23.4	18.4
Margin (%)	10.5	15.0	15.3	15.8	13.3	15.4	15.9

Balance Sheet						(INR Million)	
Y/E March	FY15	FY16	FY17	FY18	FY19	FY20E	FY21E
Share Capital	513	513	513	508	508	508	508
Reserves	22,193	25,867	34,196	35,233	40,973	49,104	58,229
Net Worth	22,706	26,380	34,709	35,740	41,481	49,612	58,737
Loans	584	800	975	1,226	1,111	905	741
Deferred Liability	566	753	877	1,048	1,094	1,094	1,094
Minority Interest	51	434	1,273	1,750	2,072	2,072	2,072
Capital Employed	23,907	28,367	37,835	39,764	45,757	53,683	62,644
Gross Block	17,867	17,942	20,329	21,624	23,518	26,473	28,473
Less: Accum. Depn.	8,298	7,901	8,915	9,976	10,892	12,524	14,395
Net Fixed Assets	9,570	10,040	11,414	11,648	12,626	13,949	14,078
Capital WIP	4,618	1,581	1,477	2,277	2,421	2,421	2,421
Goodwill	215	1,334	1,338	1,774	1,850	1,850	1,850
Others	68	517	754	793	889	889	889
Investments	3,599	7,055	14,431	12,459	15,477	20,572	25,714
Curr. Assets, L&A	15,077	16,611	18,290	23,034	25,775	29,044	34,877
Inventory	6,410	6,274	7,209	8,043	9,345	10,068	11,475
Account Receivables	5,861	7,016	7,685	9,381	10,560	12,248	13,959
Cash and Bank Balance	860	1,318	999	1,636	1,904	2,587	4,904
Others	1,946	2,003	2,397	3,974	3,966	4,141	4,539
Curr. Liab. and Prov.	9,240	8,772	9,870	12,222	13,281	15,042	17,185
Current liabilities	6,933	8,223	9,231	11,573	12,534	14,293	16,379
Provisions	2,308	549	639	649	747	749	806
Net Current Assets	5,837	7,839	8,420	10,812	12,494	14,002	17,692
Application of Funds	23,907	28,367	37,835	39,764	45,757	53,683	62,644

E: MOFSL Estimates

Financials and Valuations

Ratios

Y/E March	FY15	FY16	FY17	FY18	FY19	FY20E	FY21E
Basic (INR)							
EPS	10.0	15.7	16.7	18.9	18.6	22.9	27.1
Cash EPS	12.3	17.6	19.0	21.3	21.2	26.1	30.8
BV/Share	44.3	51.5	67.7	70.4	81.7	97.7	115.6
DPS	2.9	0.5	4.7	6.0	6.5	7.0	7.5
Payout %	28.7	3.2	28.2	31.5	34.9	30.6	27.7

Valuation (x)

P/E	133.5	85.3	79.9	70.6	72.0	58.4	49.3
Cash P/E	108.6	75.8	70.4	62.8	63.1	51.2	43.4
EV/Sales	14.0	12.6	11.9	11.0	9.4	8.7	7.5
EV/EBITDA	84.7	57.8	53.3	49.7	48.5	41.8	35.1
P/BV	30.2	26.0	19.7	19.0	16.4	13.7	11.6
Dividend Yield (%)	0.2	0.0	0.4	0.4	0.5	0.5	0.6

Return Ratios (%)

RoE	24.3	32.8	28.1	27.3	24.4	25.5	25.4
RoCE	23.6	31.1	26.2	25.1	22.5	23.8	23.9
RoIC	39.1	45.6	40.2	39.1	34.8	39.0	43.1

Working Capital Ratios

Debtor (Days)	44	48	50	56	54	59	59
Creditor (Days)	62	72	77	89	80	87	88
Asset Turnover (x)	3.2	3.0	2.8	2.7	2.8	2.7	2.7

Leverage Ratio

Debt/Equity (x)	0.0	0.0	0.0	0.0	0.0	0.0	0.0
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Cash Flow Statement

(INR Million)

Y/E March	FY15	FY16	FY17	FY18	FY19	FY20E	FY21E
PBT before Extra Ord	6,779	11,408	12,483	13,588	13,416	15,545	18,406
Add: Depreciation	1,178	1,005	1,151	1,199	1,327	1,632	1,871
Interest Paid	43	82	80	81	55	272	178
Less: Taxes Paid	1,749	3,140	3,733	4,276	4,093	3,913	4,633
Non operating income	138	268	645	854	467	1,741	1,976
(Incr)/Decr in WC	-593	-12	-1,399	-1,774	-1,791	-826	-1,373
CF from Operations	5,520	9,075	7,938	7,964	8,448	10,970	12,473
Incr in FA	-4,091	-1,659	-1,224	-1,760	-2,538	-2,955	-2,000
Free Cash Flow	1,429	7,416	6,713	6,204	5,910	8,015	10,473
Pur of Investments	-907	-2,577	-6,613	2,896	-2,317	-5,095	-5,142
Others	218	-671	-825	-566	281	2,506	1,976
CF from Invest.	-4,781	-4,907	-8,662	570	-4,574	-5,544	-5,166
Change in share capital	0	0	0	0	0	0	0
Incr in Debt	125	116	55	-4	-92	-205	-164
Dividend Paid	-1,619	-4,032	-316	-2,930	-3,635	-4,267	-4,648
Interest Paid	-157	-133	-139	-155	-167	-272	-178
Others	0	339	807	-4,808	287	0	0
CF from Fin. Activity	-1,651	-3,711	407	-7,898	-3,606	-4,744	-4,990
Incr/Decr of Cash	-912	458	-318	636	269	682	2,317
Add: Opening Balance	1,772	860	1,318	999	1,636	1,904	2,587
Closing Balance	860	1,318	999	1,636	1,904	2,587	4,904

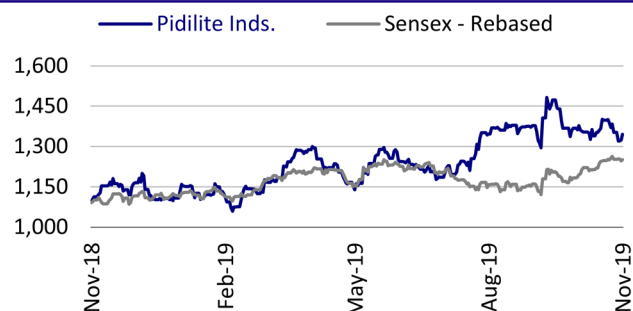
E: MOFSL Estimates

Corporate profile

Company description

Pidilite Industries is the largest branded adhesives player in India, with an iconic brand like Fevicol which has become synonymous with adhesives to millions in India. It has presence in a vast range of categories including paint chemicals, automotive chemicals, art materials and stationary, fabric care, maintenance chemicals, industrial adhesives etc. Some of its major brands are *M-Seal*, *Fevikwik*, *Fevistik*, *Rodd*, *Dr. Fixit* and *Fevicryl*.

Exhibit 1: Sensex rebased



Source: MOFSL/Bloomberg

Exhibit 2: Shareholding pattern (%)

	Sep-19	Jun-19	Sep-18
Promoter	69.7	69.8	69.7
DII	8.8	8.0	7.8
FII	11.1	11.5	11.9
Others	10.4	10.8	10.6

Note: FII Includes depository receipts

Source: Capitaline

Exhibit 3: Top holders

Holder Name	% Holding
Axis Multicap Fund	3.3
Life Insurance Corporation Of India	3.3

Source: Capitaline

Exhibit 4: Top management

Name	Designation
N K Parekh	Vice Chairman
M B Parekh	Executive Chairman
Bharat Puri	Managing Director
Savithri Parekh	Company Secretary

Source: Capitaline

Exhibit 5: Directors

Name	Name
Bansi S Mehta	Vinod K Dasari
Meera Shankar	A B Parekh
Sanjeev Aga	A N Parekh
Uday Khanna	Sabyaschi Patnaik

*Independent

Exhibit 6: Auditors

Name	Type
Deloitte Haskins & Sells LLP	Statutory
M M Sheth & Co	Secretarial Audit
Mahajan & Aibara	Internal
V J Talati & Co	Cost Auditor

Source: Capitaline

Exhibit 7: MOFSL forecast v/s consensus

EPS (INR)	MOFSL forecast	Consensus forecast	Variation (%)
FY20	22.9	24.2	-5.5
FY21	27.1	28.3	-4.1

Source: Bloomberg

Explanation of Investment Rating	
Investment Rating	Expected return (over 12-month)
BUY	>=15%
SELL	< - 10%
NEUTRAL	< - 10 % to 15%
UNDER REVIEW	Rating may undergo a change
NOT RATED	We have forward looking estimates for the stock but we refrain from assigning recommendation

*In case the recommendation given by the Research Analyst is inconsistent with the investment rating legend for a continuous period of 30 days, the Research Analyst shall within following 30 days take appropriate measures to make the recommendation consistent with the investment rating legend.

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